

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

Voluntary Public

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Chile

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Wine Voluntary Report

Report Categories:

Wine

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Report Highlights:

Chilean wine production reaches an all time record level of 1,046 million liters in 2011.

General Information:

An all time record wine production was obtained in 2011 according to the wine report published recently by SAG (the Agriculture and Livestock Service of the Ministry of Agriculture). Wine production and exports are regulated and certified by SAG. The reported production volume of 1,046 million liters, a 14 percent increase over last year, exceeds the previous record production of 2009 which was 1,009 million liters.

According to SAG's report, the large increase in wine production is explained by a rather significant increase of wine that is obtained from crushing table grapes. In 2011 an estimated 99.7 million liters of wine was produced by crushing grapes that are normally consumed fresh (table grape varieties). In 2010 only 43.6 million liters of wine from table grapes were produced. A larger availability of export rejects and lower prices of these grapes when compared to grapes for wine explains this significant increase of wine produced from table grape varieties. Additionally, table grape producers preferred to sell their grapes domestically instead of exporting due to the unfavorable exchange rate and immediate cash when selling locally. When they export their production they can be paid up to 5 months after delivery. Wine produced from table grapes is sold in tetra pack and at a lower price than wine coming from wine vines.

Among all wine varieties produced in Chile, the Malbec variety has grown significantly during the last years; it has positioned itself into the 10 major varieties produced. This large increase of Malbec in Chile is mainly due to the great popularity of this variety of wine in the United States and is the number one export variety from Argentina to the U.S. Chilean wine producers, in an effort of increasing exports to the United States, have increased the Malbec planted area over the last few years. As indicated by an industry contact, Chilean Malbec has gained prestige at international contests and promises to be as good as or even better than the Argentinean Malbec.